

COASTAL CONSERVANCY

Staff Recommendation

May 27, 2010

**SOUTH SAN FRANCISCO BAY SALT PONDS RESTORATION:  
PHASE I IMPLEMENTATION**

File No. 02-070-02

Project Manager: Brenda Buxton

**RECOMMENDED ACTION:** Modify the June 4, 2009 authorization to accept and disburse funds from the National Oceanic and Atmospheric Administration for implementation of projects under the South Bay Salt Ponds Restoration Project as follows: 1) redirect up to \$300,000 in previously awarded funds, and 2) accept and disburse up to \$300,000 in additional funds, for fish studies to be undertaken as part of the applied studies program of the South Bay Salt Ponds Restoration Project.

**LOCATION:** San Francisco Bay, South of the San Mateo Bridge, in Alameda, San Mateo, and Santa Clara Counties.

**PROGRAM CATEGORY:** San Francisco Bay Area Conservancy

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**EXHIBITS**

Exhibit 1: November 6, 2008 South Bay Salt Ponds Restoration: Phase I Implementation staff recommendation.

Exhibit 2: June 4, 2009 South Bay Salt Ponds Restoration: Phase I Implementation staff recommendation.

Exhibit 3: September 24, 2009 South Bay Salt Ponds Restoration: Phase I Implementation staff recommendation.

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**RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31165 of the Public Resources Code:

“The Conservancy hereby modifies its June 4, 2009 authorization to accept and disburse funds from the National Oceanic and Atmospheric Administration for implementation of projects under the South Bay Salt Ponds Restoration Project by redirecting \$300,000 (three hundred thousand dollars) of American Recovery and Reinvestment Act of 2009 funds (“ARRA grant funds”) and by authorizing the acceptance and disbursement of up to \$300,000 (three hundred thousand dollars) in additional ARRA grant funds or other NOAA funds to be disbursed to the Resources Legacy Fund (RLF), both for fish-related applied studies under the South Bay Salt Ponds Restoration Project. Prior to the

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disbursement by the Conservancy of any funds, RLF shall submit for the review and approval of the Conservancy's Executive Officer a work program for the project, including schedule and budget, and the names of any contractors it intends to use to complete the project."

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines, last updated by the Conservancy on June 4, 2009.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 4.5 of Division 21 of the Public Resources Code, regarding the Conservancy's mandate to address the resource and recreational goals of San Francisco Bay Area.
3. Resources Legacy Fund is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, whose purposes are consistent with Division 21 of the Public Resources Code."

**PROJECT SUMMARY:**

This authorization would enable the Conservancy to fund fish studies identified as a high-priority for the South Bay Salt Pond Restoration Project's applied studies program by accepting additional federal funds and re-directing previously awarded federal funds not needed for construction of one of the three Phase I South Bay Salt Ponds Restoration projects.

On November 6, 2008, the Conservancy authorized construction of two of the Phase I projects, the Pond SF2 and Bayfront Park overlook projects. The November 6, 2008 staff recommendation, attached as Exhibit 1, also describes the SBSP Restoration Project's planning effort, all Phase I projects, the role of the Adaptive Management Program, including the applied studies program, in project implementation and in CEQA compliance, and the project's EIS/R. On June 4, 2009, the Conservancy authorized acceptance and disbursement of \$5,898,862 in ARRA funding through NOAA's Coastal and Marine Restoration Grants Program for three of the Phase I projects: Ponds A6 (330 acres), A8 (550 acres), and E8A/9/8X (630 acres). The June 4, 2009 staff recommendation is attached as Exhibit 2. On September 24, 2009, the Conservancy authorized the Phase I construction funds awarded in November 2008 for Pond SF2 to be re-directed to Eden Landing Ponds E8A/9/8X in order to provide the required matching funds for the ARRA funding. The September 24, 2009 staff recommendation is attached as Exhibit 3.

Pond A8's actual construction costs have turned out to be lower than expected. This staff recommendation recommends authorization to re-direct up to \$300,000 in cost savings from the Pond A8 project and accept an additional \$300,000 in ARRA or other funding from NOAA. This \$600,000 in federal funding will be used to undertake fish studies which will assess the effects of wetland restoration actions on fish species and communities within the SBSP Restoration Project area. These studies will support the

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SBSP Restoration Project's Adaptive Management Program by documenting the fish communities populating newly restored ponds and adjacent salt marsh habitat. These studies will also assess the health of a representative fish species in the project area. This information will help SBSP program managers assess to what extent tidal habitats increase survival, growth, and reproduction of fish populations which is a key uncertainty identified in the Applied Study Questions table in the Adaptive Management Plan (Applied Study No. 10 in the Adaptive Management Plan, pp.75-80 of Appendix D of the EIS/R).

**Site Description:** A general description of the SBSP Restoration Project area is contained in the attached November 6, 2008 staff recommendation (Exhibit 1).

**Project History:** See attached November 6, 2008 staff recommendation (Exhibit 1) for a general project history.

**PROJECT FINANCING:**

**Existing Conservancy NOAA**

<b>Coastal Restoration Grant Funds</b>	<b>\$5,753,214</b>
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**Additional NOAA Coastal**

<b>Restoration Grant Funds</b>	<b><u>\$ 300,000</u></b>
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<b>Total NOAA Coastal Restoration Grant Funds</b>	<b>\$ 6,053,214</b>
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The anticipated source of the funds for fish studies will be the federal American Recovery and Reinvestment Act of 2009 funds that have been made available through NOAA's Coastal and Marine Restoration Grant Program. Through this grant program NOAA may provide funds for projects to restore coastal and bay habitats that have strong on-the-ground habitat restoration components with long-term ecological habitat improvements and provide social and economic benefits for people and their communities.

**CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION, 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S), AND PROJECT SELECTION CRITERIA & GUIDELINES, AND WITH THE SAN FRANCISCO BAY PLAN:**

The proposed authorization does not alter the project descriptions and other aspects of the project detailed in the November 6, 2008, June 4, 2009 and September 24, 2009 staff recommendations (Exhibits 1, 2, and 3 respectively). This authorization would redirect unneeded funds for one project and increase the amount of the ARRA award to fund studies supporting the project's Adaptive Management goals. For the same reasons specified in the attached staff recommendations, the proposed authorization remains consistent with the Conservancy's enabling legislation, 2007 Strategic Plan Goal(s) & Objective(s), and Project Selection Criteria & Guidelines and with the San Francisco Bay Conservation and Development Commission San Francisco Bay Plan.

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Additionally, the proposed authorization is consistent with the Conservancy's new Project Selection Criteria & Guidelines, adopted by the Board on June 4, 2009, in the following respects:

**Required Criteria**

**Sea-level Rise Vulnerability:** The project has been designed to accommodate a variety of levels of sea level rise. The consequences of accelerated sea level rise on habitat evolution were evaluated for the project. See EIS/R at page ES-5. A number of features can be built into the future project phases to accommodate accelerated sea level rise, such as constructing a gradually sloping marsh/upland transition zone surface that provides an elevation gradient over which tidal marsh could shift upslope as sea level rises. The adaptive management approach provides response flexibility.

**COMPLIANCE WITH CEQA:**

As noted above, the proposed authorization does not alter the physical descriptions of the South Bay Salt Pond Restoration Phase I projects described in the attached staff recommendations. This funding change will not change the manner in which the project will be undertaken; the environmental effects of the project or of all the Phase implementation projects; or any project changes or feasible mitigations measures or alternatives that might avoid or reduce those effects. These fish studies are consistent with Adaptive Management strategy to undertake applied studies that will enable the project to avoid what could be potentially significant impacts. The information gained from these fish studies will better quantify the benefits of restoration, help prevent and manage potential impacts, advance the science of wetland restoration, and help better design future phases.

Under the November 6, 2008 and June 4, 2009 staff recommendations, the project impacts, mitigation measures and environmental documentation, including the Environmental Impact Statement/Environmental Impact Report for Phase I of the South Bay Salt Pond Restoration Project, were fully presented and discussed. Based on its review of that information, the Conservancy adopted all findings required under CEQA for the funded South Bay Salt Pond Phase I projects. Since the proposed authorization does not alter the project in any way that would change the environmental effects or any required mitigation, no further findings are required under CEQA.